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**大唐国际发电股份有限公司**  
**DATANG INTERNATIONAL POWER GENERATION CO., LTD.**

*(a sino-foreign joint stock limited company incorporated in the People's Republic of China)*  
**(Stock Code: 00991)**

## **ANNOUNCEMENT**

### **DISCLOSEABLE AND CONNECTED TRANSACTIONS**

#### **ENTRUSTED LOAN FRAMEWORK AGREEMENT**

On 29 June 2015, the Company and ICBC Xuanwu Branch entered into the Entrusted Loan Framework Agreement, pursuant to which, the Company entrusted ICBC Xuanwu Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB4.0 billion to Duolun Coal Chemical Company during the term of the agreement.

#### **ENTRUSTED LOAN AGREEMENT**

On 29 June 2015, the Company and Xilinhaote Mining Company entered into the Entrusted Loan Agreement with Construction Bank Railway Sub-branch, pursuant to which, the Company agreed to entrust Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB2.0 billion to Xilinhaote Mining Company during the term of the agreement.

#### **LISTING RULES IMPLICATIONS**

##### **Discloseable Transactions**

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of each of the Entrusted Loan Framework Agreement and Entrusted Loan Agreement when aggregated with the Previous Transactions is more than 5% but all the applicable percentage ratios are less than 25%, each of the Entrusted Loan Framework Agreement and Entrusted Loan Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **Connected Transactions**

As at the date of this announcement, CDC together with its subsidiaries holds approximately 34.71% of the issued share capital of the Company. Duolun Coal Chemical Company and Xilinhaote Mining Company are both subsidiaries of the Company, and Duolun Coal Chemical Company and Xilinhaote Mining Company are owned as to 40% by CDC and China Datang Coal Industry Co. Ltd, a subsidiary of CDC, respectively. Duolun Coal Chemical Company and Xilinhaote Mining Company are therefore the connected persons of the Company, and entering into the Entrusted Loan Framework Agreement and the transactions under the Entrusted Loan Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the amount of entrusted loans under the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement when aggregated with the Previous Transactions is more than 5% but all the applicable percentage ratios are less than 25%, each of the Entrusted Loan Framework Agreement and Entrusted Loan Agreement as well as the transactions thereunder is subject to the requirements of reporting, announcement and approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

## **DESPATCH OF CIRCULAR**

The Company will disclose the relevant details of the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement in the next annual report and accounts of the Company in accordance with the relevant requirements as set out in Chapter 14A of the Listing Rules. A circular containing the terms of the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement, a letter from the independent board committee and a letter from the independent financial advisor of the Company, both advising the terms of the of the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement, is expected to be dispatched to the Shareholders on or before 21 July 2015.

# I. ENTRUSTED LOAN FRAMEWORK AGREEMENT

## Date and Subject Matter

On 29 June 2015, the Company and ICBC Xuanwu Branch entered into the Entrusted Loan Framework Agreement, pursuant to which, the Company entrusted ICBC Xuanwu Branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB4.0 billion to Duolun Coal Chemical Company during the term of the agreement.

## Parties

1. The Company, as the entrusted lender;
2. ICBC Xuanwu Branch, as the lending agent.

To the best of the Company's knowledge, information and belief having made all reasonable enquiries, ICBC Xuanwu Branch and its ultimate beneficial owners (if any) is a third party independent of the Company and its connected persons.

## Major Terms

1. Entrusted Loan Arrangement

Pursuant to the Entrusted Loan Framework Agreement, the Company agreed to entrust ICBC Xuanwu Branch to act as the lending agent to provide entrusted loan to Duolun Coal Chemical Company. Matters in relation to the entrusted loan, such as borrower, usage of the proceeds, amount, term and interest rate of the borrowings, shall be determined by the Company; the Company shall then enter into General Entrusted Loan and Borrowing Contracts with ICBC Xuanwu Branch and Duolun Coal Chemical Company. These specific borrowing contracts shall be subject to the terms of the Entrusted Loan Framework Agreement.

2. Amount of the entrusted loan

The loan amount for Duolun Coal Chemical Company under the Entrusted Loan Framework Agreement shall be RMB4 billion.

3. Term

The term is 12 months commencing from 29 June 2015 to 28 June 2016.

4. Interest rate

Pursuant to the Entrusted Loan Framework Agreement, the interest rate of entrusted loan shall be determined by the Company. As per resolution of the Board, the loan interest rate shall be a floating rate, being the benchmark interest rate to be charged for the same level of loans in RMB as announced for implementation by the People's Bank of China on the actual date when the loan is granted plus 10%. In the event that the People's Bank of China adjusts the benchmark interest rate during the term of the agreement, 21st December of each year shall be the adjustment date for the interest rate under the agreement. The adjusted borrowing interest rate will be the benchmark interest rate for the same level of loans in RMB announced for implementation by the People's Bank of China on the adjustment date plus 10%.

As at the date of this announcement, the prevailing benchmark interest rate for one-year loans in RMB as announced by the People's Bank of China is 4.85% per annum.

Such interest rate is arrived at after arm's length negotiation between the Company and Duolun Coal Chemical Company in consideration of the overall reduction in capital costs to the Group after the accounts of Duolun Coal Chemical Company (being a subsidiary of the Company) are consolidated into the accounts of the Company.

5. Handling fee

The handling fee of the entrusted loan shall be 0.02083‰ of the contract amount of the entrusted loan, which is arrived at with reference to the standard handling fee charged by commercial banks for the provision of same level of entrusted loan, and the handling fee is at certain discount on that basis. The handling fee of the entrusted loan shall be settled by the Company to ICBC Xuanwu Branch annually by way of remittance.

6. Use of proceeds of the entrusted loan

According to the Entrusted Loan Framework Agreement, the use of proceeds is determined by the Company. As per resolution of the Board, the loan will be utilised for the replenishment of its liquidity loan and replacement of due borrowings.

7. Effective date

The Entrusted Loan Framework Agreement shall become effective when it is duly signed by the legal representatives or authorised agents of the parties and with their respective seals affixed therein.

## II. ENTRUSTED LOAN AGREEMENT

### **Date and Subject Matter**

On 29 June 2015, the Company and Xilinhaote Mining Company entered into the Entrusted Loan Agreement with Construction Bank Railway Sub-branch, pursuant to which, the Company agreed to entrust Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan of an aggregate amount of RMB2.0 billion to Xilinhaote Mining Company during the term of the agreement.

### **Parties**

1. The Company, as the entrusted lender;
2. Construction Bank Railway Sub-branch, as the lending agent; and
3. Xilinhaote Mining Company, as the borrower.

To the best of the Company's knowledge, information and belief having made all reasonable enquiries, Construction Bank Railway Sub-branch and its ultimate beneficial owners (if any) is a third party independent of the Company and its connected persons.

### **Major Terms**

1. Entrusted Loan Arrangement

Pursuant to the Entrusted Loan Agreement, the Company agreed to entrust Construction Bank Railway Sub-branch to act as the lending agent to provide entrusted loan to Xilinhaote Mining Company.

2. Amount of the entrusted loan

The loan amount for Xilinhaote Mining Company under the Entrusted Loan Agreement shall be RMB2 billion.

3. Term

The term is 12 months commencing from 29 June 2015 to 28 June 2016.

4. Interest rate

The loan interest rate shall be a floating rate, being the benchmark interest rate to be charged for the same level of loans in RMB as announced for implementation by the People's Bank of China on the actual date when the loan is granted plus 10%. In the event that the People's Bank of China adjusts the benchmark interest rate during the term of the agreement, 21st December of each year shall be the adjustment date for the interest rate under the agreement. The adjusted borrowing interest rate will be the benchmark interest rate for the same level of loans in RMB announced for implementation by the People's Bank of China on the adjustment date plus 10%.

As at the date of this announcement, the prevailing benchmark interest rate for one-year loans in RMB as announced by the People's Bank of China is 4.85% per annum.

Such interest rate is arrived at after arm's length negotiation between the Company and Xilinhaote Mining Company in consideration of the overall reduction in capital costs to the Group after the accounts of Xilinhaote Mining Company (being a subsidiary of the Company) are consolidated into the accounts of the Company.

5. Calculation of interests

Interests under the entrusted loan shall be accrued on a daily basis and shall be settled on a quarterly basis. The settlement date falls on the twentieth (20th) day of the last month of each quarter.

6. Handling fee

The handling fee of the entrusted loan shall be 0.02% of the contract amount of the entrusted loan, which is arrived at with reference to the standard handling fee charged by commercial banks for the provision of same level of entrusted loan, and the handling fee is at certain discount on that basis. The handling fee of the entrusted loan shall be settled by the Company to Construction Bank Railway Sub-branch in one lump sum on the date of granting of the entrusted loan.

7. Use of proceeds of the entrusted loan

The loan will be utilised for the replenishment of its liquidity loan and replacement of due borrowings.

## 8. Repayment schedule of the entrusted loan

The specific withdrawal amount, withdrawal date, as well as repayment date under the Entrusted Loan Agreement are subject to the actual amount and dates as stipulated in the loan certificate of Xilinhaote Mining Company.

## 9. Effective date

The Entrusted Loan Agreement shall become effective when it is duly signed by the legal representatives or authorised agents of the parties and with their respective seals affixed therein.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE ENTRUSTED LOAN FRAMEWORK AGREEMENT AND THE ENTRUSTED LOAN AGREEMENT**

In order to ensure the replacement of due borrowings on schedule as well as to replenish liquid capital in a timely manner, the Company provides entrusted loans of an aggregate amount of not exceeding RMB4.0 billion and RMB2.0 billion to Duolun Coal Chemical Company and Xilinhaote Mining Company, respectively. The Company is of the view that the entrusted loans, which will be primarily utilised by Duolun Coal Chemical Company and Xilinhaote Mining Company to replenish their liquidity loans and replace due borrowings, are thus beneficial for the smooth progress of the production and operation activities of Duolun Coal Chemical Company and Xilinhaote Mining Company.

Considering the possible higher financial costs for Duolun Coal Chemical Company and Xilinhaote Mining Company to obtain the same loans from other commercial banks when compared with the financial costs incurred by the Company to obtain the funding of the entrusted loans, the Company considers that the overall capital costs to the Group will be relatively reduced after the accounts of Duolun Coal Chemical Company and Xilinhaote Mining Company (being the subsidiaries of the Company) are consolidated into the accounts of the Company.

The Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice from the independent financial advisor) are of the view that the terms of the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement are fair and reasonable, have been entered into after arm's length negotiation between all parties thereto and determined on normal commercial terms in ordinary and usual course of business and are in the interests of the Company and its Shareholders as a whole.

## **INFORMATION RELATING TO THE PARTIES OF THE AGREEMENT**

### **1. The Company**

The Company is principally engaged in the development and operation of power plants, the sale of electricity and thermal power, and the repair, testing and maintenance of power equipment as well as the provision of power-related technical services. The main service areas of the Company are in the PRC.

## **2. Xilinhaote Mining Company**

Xilinhaote Mining Company is a subsidiary of the Company. It was duly incorporated on 23 August 2007 with a registered capital of RMB376 million. It is primarily responsible for the development, construction and operation of Shengli Open-cut Coal Mine East Unit 2 project. The equity-holding structure of Xilinhaote Mining Company is as follows: 60% of its equity interest is held by the Company and 40% of its equity interest is held by China Datang Coal Industry Co., Ltd., a subsidiary of CDC.

## **3. Construction Bank Railway Sub-branch**

Construction Bank Railway Sub-branch is a commercial bank incorporated by China Construction Bank Corporation in Fengtai District, Beijing on 28 March 1997. It is principally engaged in the provision of RMB deposits, loans and settlement services, import bill discounting, agency issue of financial bonds, agency issue, agency acceptance and underwriting of government bonds, trading of government bonds, agency collection and payment, and insurance agency.

## **4. CDC**

CDC was established on 9 March 2003 and has a registered capital of RMB18.009 billion. It is principally engaged in the development, investment, construction, operation and management of power energy, organisation of power (thermal) production and sales; manufacturing, repair and maintenance of power equipment; power technology development and consultation; power engineering, contracting and consultation of environmental power engineering; development of new energy as well as development and production of power related coal resources.

## **5. ICBC Xuanwu Branch**

ICBC Xuanwu Branch is a commercial bank established by Industrial and Commercial Bank of China Limited within the PRC. It is principally engaged in the provision of six types of services, namely treasury management, fee collection and payment, marketing services, financial wealth management, agency sales and e-commerce.

## **6. Duolun Coal Chemical Company**

Duolun Coal Chemical Company, a subsidiary of the Company, was duly established on 19 August 2009 with a paid-in capital of RMB4,050 million. Duolun Coal Chemical Company is principally responsible for the construction and operation of the coal-based olefin project with an annual output of 460,000 tonnes. The equity-holding structure of Duolun Coal Chemical Company is as follows: 60% of its equity interest is held by Energy and Chemical Company, a wholly-owned subsidiary of the Company and 40% of its equity interest is held by CDC.

## **LISTING RULES IMPLICATIONS**

### **Discloseable Transactions**

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of each of the Entrusted Loan Framework Agreement and Entrusted Loan Agreement when aggregated with the Previous Transactions is more than 5% but all the applicable percentage ratios are less than 25%, each of the Entrusted Loan Framework Agreement and Entrusted Loan Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Connected Transactions**

As at the date of this announcement, CDC together with its subsidiaries holds approximately 34.71% of the issued share capital of the Company. Duolun Coal Chemical Company and Xilinhaote Mining Company are both subsidiaries of the Company, and Duolun Coal Chemical Company and Xilinhaote Mining Company are owned as to 40% by CDC and China Datang Coal Industry Co. Ltd, a subsidiary of CDC, respectively. Duolun Coal Chemical Company and Xilinhaote Mining Company are therefore the connected persons of the Company, and entering into the Entrusted Loan Framework Agreement and the transactions under the Entrusted Loan Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the amount of entrusted loans under the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement when aggregated with the Previous Transactions is more than 5% but all the applicable percentage ratios are less than 25%, each of the Duolun Coal Chemical Company Entrusted Loan Framework Agreement and Xilinhaote Mining Company Entrusted Loan Agreement as well as the transactions thereunder is subject to the requirements of reporting, announcement and approval by the independent Shareholders of the Company under Chapter 14A of the Listing Rules.

## **DESPATCH OF CIRCULAR**

The Company will disclose the relevant details of the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement in the next annual report and accounts of the Company in accordance with the relevant requirements as set out in Chapter 14A of the Listing Rules. A circular containing the terms of the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement, a letter from the independent board committee and a letter from the independent financial advisor of the Company, both advising the terms of the of the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement, is expected to be dispatched to the Shareholders on or before 21 July 2015.

## **BOARD'S APPROVAL**

The twenty-third meeting of the eighth session of the Board of the Company has approved the transactions under the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement. None of the Directors has any material interests in the Entrusted Loan Framework Agreement and the Entrusted Loan Agreement. Those connected Directors, namely Chen Jinhang, Hu Shengmu and Liang Yongpan (all of whom are the key management personnel of CDC), have abstained from voting for approval of such resolution in accordance with the listing rules of the Shanghai Stock Exchange.



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	the domestic ordinary share(s) of the Company with a nominal value of RMB1.00 each and are listed on the Shanghai Stock Exchange
“Board”	the board of Directors of the Company
“CDC”	China Datang Corporation, a State-owned enterprise established under the laws of the PRC and is the controlling Shareholder of the Company which, together with its subsidiaries, owns approximately 34.71% of the issued share capital of the Company as at the date of this announcement
“Company”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC on 13 December 1994, whose H Shares are listed on the Hong Kong Stock Exchange and the London Stock Exchange and whose A Shares are listed on the Shanghai Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Construction Bank Railway Sub-branch”	Beijing Railway Sub-branch of China Construction Bank Corporation, details of which are set out in the section headed “Information Relating to the Parties of the Agreement”
“Directors”	the director(s) of the Company
“Duolun Coal Chemical Company”	Datang Inner Mongolia Duolun Coal Chemical Company Limited (大唐內蒙古多倫煤化工有限責任公司), a subsidiary of the Company, the details of which are set out in the section headed “Information Relating to the Parties of the Agreement”
“Entrusted Loan Agreement”	the entrusted loan agreement entered into on 29 June 2015 between the Company, Construction Bank Railway Sub-branch and Xilinhaote Mining Company in respect of the Entrusted Loan Arrangement
“Entrusted Loan Framework Agreement”	the general entrusted loan entrustment agreement entered into on 29 June 2015 between the Company and ICBC Xuanwu Branch in respect of the entrusted loan arrangement, and the general entrusted loan business entrustment letter signed by the Company

“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and the London Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC Xuanwu Branch”	Xuanwu Branch of Industrial and Commercial Bank of China Limited, details of which are set out in the section entitled “Information Relating to the Parties of the Agreement”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Transactions”	the entrusted loan agreement entered into on 12 February 2015 with Duolun Coal Chemical Company, the details of which are set out in the announcement issued by the Company on 13 February 2015; the entrusted loan agreement entered into on 21 May 2015 with Duolun Coal Chemical Company, the details of which are set out in the announcement issued by the Company on 21 May 2015; the entrusted loan agreement entered into on 19 June 2015 with Xilinhaote Mining Company, the details of which are set out in the announcement issued by the Company on 19 June 2015
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Shares”	the ordinary shares of the Company with a nominal value of RMB1.00 each, comprising domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xilinhaote Mining Company”	Inner Mongolia Datang International Xilinhaote Mining Company Limited(內蒙古大唐國際錫林浩特礦業有限公司), a subsidiary of the Company, the details of which are set out in the section headed “Information Relating to the Parties of the Agreement”

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By Order of the Board  
**Zhou Gang**  
*Secretary to the Board*

Beijing, the PRC, 29 June 2015

*As at the date of this announcement, the Directors of the Company are:*

*Chen Jinhang, Hu Shengmu, Wu Jing, Liang Yongpan, Zhou Gang,  
Cao Xin, Cai Shuwen, Liu Haixia, Guan Tiangang, Yang Wenchun,  
Dong Heyi\*, Ye Yansheng\*, Zhao Jie\*, Jiang Guohua\*, Feng Genfu\**

*\* Independent non-executive Directors*